

# AP Memory Technology Corporation

## 2021 Q3 Investor Conference

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2021.11.02

TWSE: 6531



# Disclaimer

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The forward-looking statements contained in the presentation are subject to risks and uncertainties and actual results may differ materially from those expressed or implied in these forward-looking statements.

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# Outline

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- 2021 Q3 Financial Results
- Business Analysis & Outlook
- Q&A

01

# 2021 Q3 Financial Results

# 2021Q3 Consolidated Income Statements

(in NT\$K)	2021.Q3	2021.Q2	△\$	△%	2020.Q3	△\$	△%
Net Revenue	2,019,004	1,633,506	385,498	24%	828,317	1,190,687	144%
Cost of Revenue	1,079,862	881,547	198,315	22%	557,190	522,672	94%
Gross Profit	939,142	751,959	187,183	25%	271,127	668,015	246%
Gross Profit Margin (%)	47%	46%	1%		33%	14%	
Operating Expenses	185,136	153,335	31,801	21%	124,626	60,510	49%
Operating Expense Ratio	9%	9%	-		15%	( 6% )	
Income from Operations	754,006	598,624	155,382	26%	146,501	607,505	415%
Operating margin(%)	38%	37%	1%		18%	20%	
Non-operating Income and Expenses	87,160	( 19,402 )	106,562	549%	( 2,341 )	89,501	3,823%
Income from Continuing Ope. before Income Tax	841,166	579,222	261,944	45%	144,160	697,006	483%
Income Tax Expenses	165,253	122,967	42,286	34%	21,609	143,644	665%
Income from Continuing Operation	675,913	456,255	219,658	48%	122,551	553,362	452%
Income from Discontinued Operation	-	-	-	-	3,521	( 3,521 )	( 100% )
Net Income	675,913	456,255	219,658	48%	126,072	549,841	436%
Net Income (%)	33%	28%	5%		15%	19%	
EPS (NT\$)	4.56	3.08*	1.48	48%	0.85*	3.71	436%

\* EPS were retroactively adjusted by the effect of the stock split.

# 2021Q1~Q3 Consolidated Income Statements

(in NT\$K)	2021.Q1-Q3	2020.Q1-Q3	Δ\$	Δ%
Net Revenue	4,879,715	2,537,507	2,342,208	92%
Cost of Revenue	2,647,356	1,911,439	735,917	39%
Gross Profit	2,232,359	626,068	1,606,291	257%
Gross Profit Margin (%)	46%	24%	22%	
Operating Expenses	486,255	360,221	126,034	35%
Operating Expense Ratio	10%	14%	( 4% )	
Income from Operations	1,746,104	265,847	1,480,257	557%
Operating margin(%)	36%	10%	26%	
Non-operating Income and Expenses	94,728	( 3,440 )	98,168	2,854%
Income from Continuing Ope. before Income Tax	1,840,832	262,407	1,578,425	602%
Income Tax Expenses	358,292	15,300	342,992	2,242%
Income from Continuing Operation	1,482,540	247,107	1,235,433	500%
Income from Discontinued Operation	-	( 3,751 )	3,751	100%
Net Income	1,482,540	243,356	1,239,184	509%
Net Income (%)	30%	10%	20%	
EPS (NT\$)	10.01	1.60*	8.41	526%

\* EPS were retroactively adjusted by the effect of the stock split.

# 2021.09.30 Consolidated Balance Sheet

in NT\$K	2021.09.30		2021.06.30		2020.12.31	
	AMT	%	AMT	%	AMT	%
Cash and Cash Equivalents	2,446,151	44	1,478,362	28	662,967	17
Financial Assets at FVTPL-Current	-	-	861,636	17	930,536	23
Notes/Accounts Receivable	745,081	13	779,104	15	600,601	15
Inventories	1,352,127	24	976,651	19	625,055	16
Other Accounts Receivable	198,290	4	333,707	6	401,777	10
Other Current Assets	216,122	4	13,453	-	89,091	2
Financial Assets at FVTPL-Non Current	114,583	2	70,042	1	68,016	2
Property, Plant and Equipment	81,186	1	66,162	1	8,009	-
Refundable Deposits	21,455	-	221,099	4	208,547	5
Other Non-Current Assets	434,242	8	450,063	9	388,801	10
<b>Total Assets</b>	<b>5,609,237</b>	<b>100</b>	<b>5,250,279</b>	<b>100</b>	<b>3,983,400</b>	<b>100</b>
Short-Terms Loans	-	-	-	-	130,613	3
Accounts Payable	491,180	9	527,611	10	236,934	6
Current Tax Liabilities	265,549	5	160,536	3	132,617	3
Other Payables	193,003	3	187,330	3	137,303	3
Cash Dividends Payable	-	-	370,373	7	-	-
Indemnities Payable	41,471	1	98,672	2	195,435	5
Contract Liabilities	259,101	5	238,276	5	88	-
Other Liabilities	120,519	2	112,193	2	47,440	2
<b>Total Liabilities</b>	<b>1,370,823</b>	<b>25</b>	<b>1,694,991</b>	<b>32</b>	<b>880,430</b>	<b>22</b>
<b>Total Shareholders' Equity</b>	<b>4,238,414</b>	<b>75</b>	<b>3,555,288</b>	<b>68</b>	<b>3,102,970</b>	<b>78</b>
Net Worth Per Share	28.5		23.9*		20.9*	

\* Retroactively adjusted by the effect of the stock split.

# 2021 Q3 Financial Ratios

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Current Ratio	<b>369%</b>	274%***	352%	387%	357%
Quick Ratio	<b>263%</b>	213%***	284%	313%	277%
Average A/R collection days	<b>35 days</b>	44 days	52 days	49 days	66 days
Days sales of inventory	<b>99 days</b>	95 days	109 days	119 days	156 days
Net income(%)	<b>33%</b>	28%	29%	22%*	15%**
ROA	<b>50%</b>	37%	33%	25%*	15%**
ROE	<b>69%</b>	52%	43%	33%*	21%**

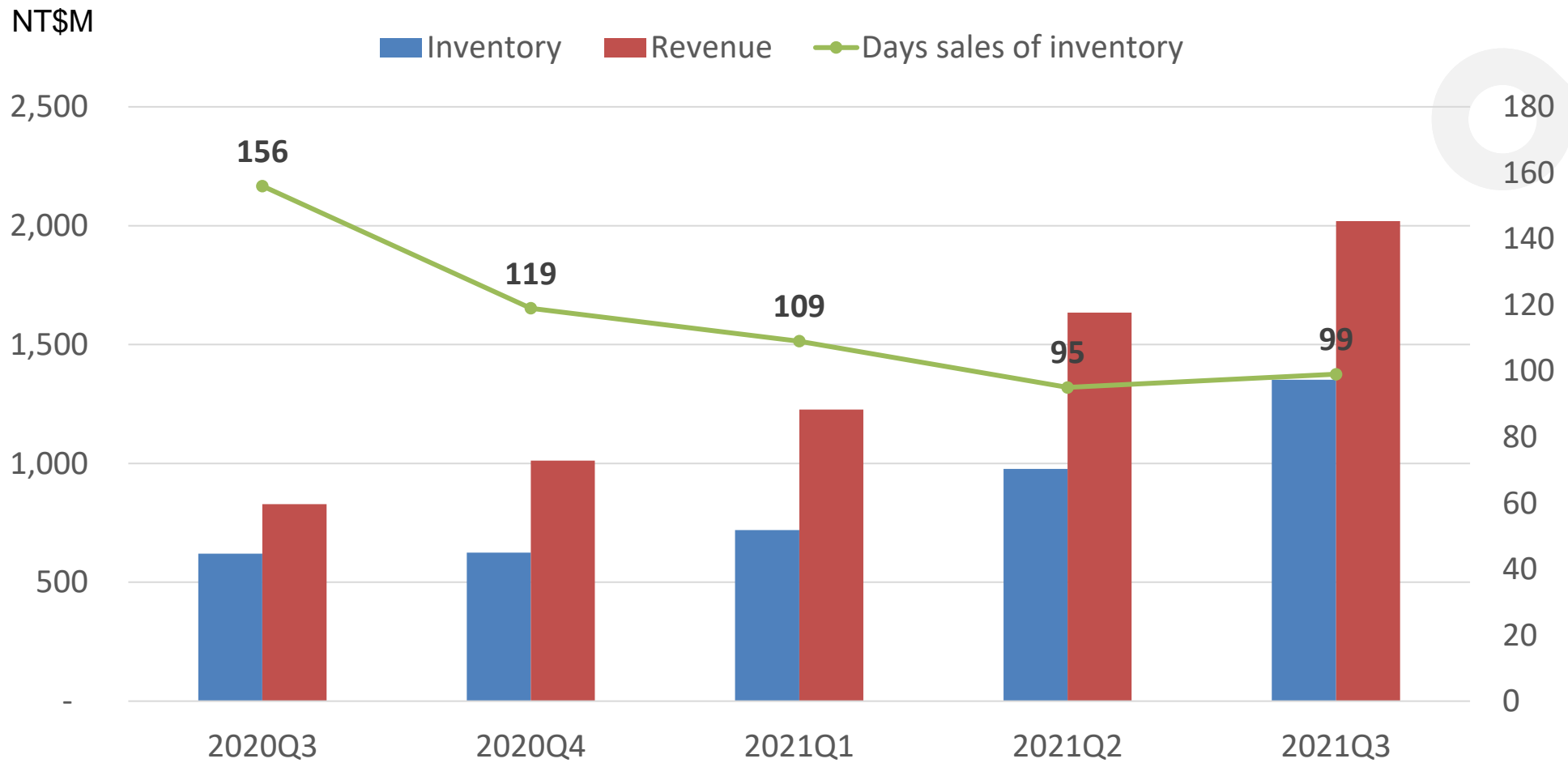
\*2020.Q4 excluded one time gains from disposal of subsidiary.

\*\* Exclude the discontinuing operation

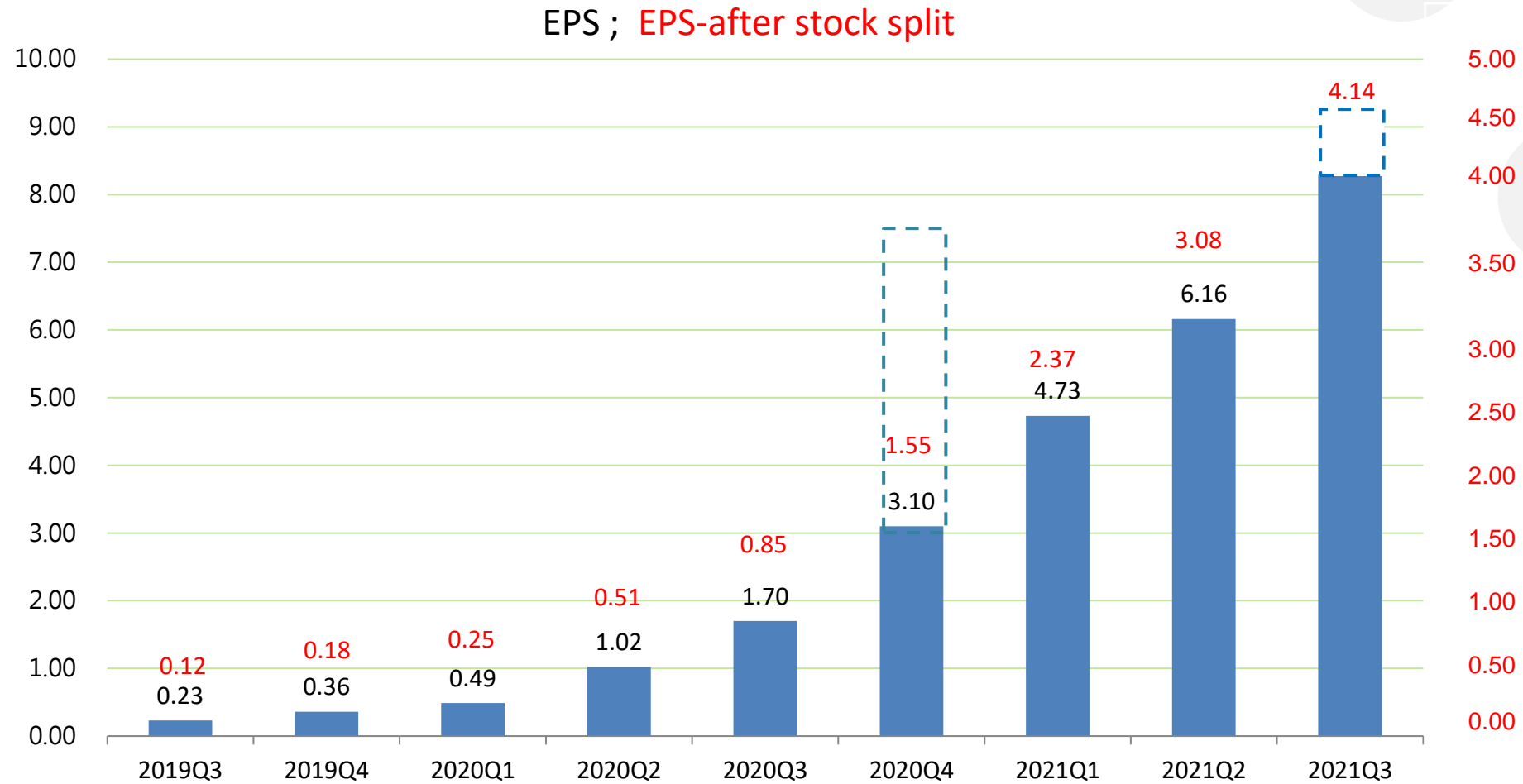
\*\*\* W/O cash dividends payable, Current Ratio and Quick Ratio will be 355% and 276%, respectively.



# Inventory Trend



# EPS Trend



\* Stock split has been completed and resumed trading on Oct. 18<sup>th</sup>.

\* 2020Q4 excluded gains from disposal of subsidiary.

\* 2021Q3 excluded gains from the valuation of the financial assets.

# Planned Issuance of Global Depository Receipts(GDRs)

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- Purposes:

- Support strategic growth initiatives
- Increase working capital
- Increase global presence
- Attract international investors

- Next Steps:

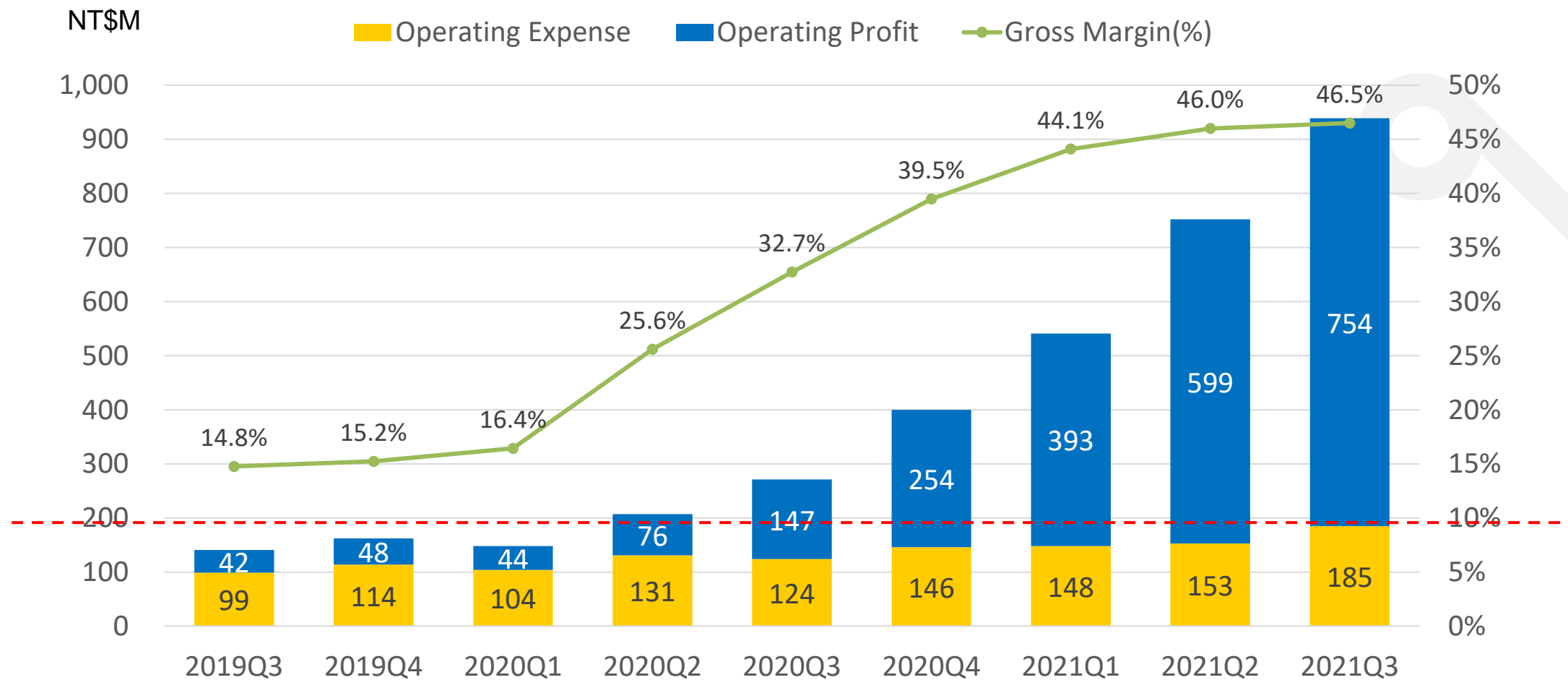
- Approval by extraordinary shareholders meeting, December 6, 2021
- Other details: TBD.

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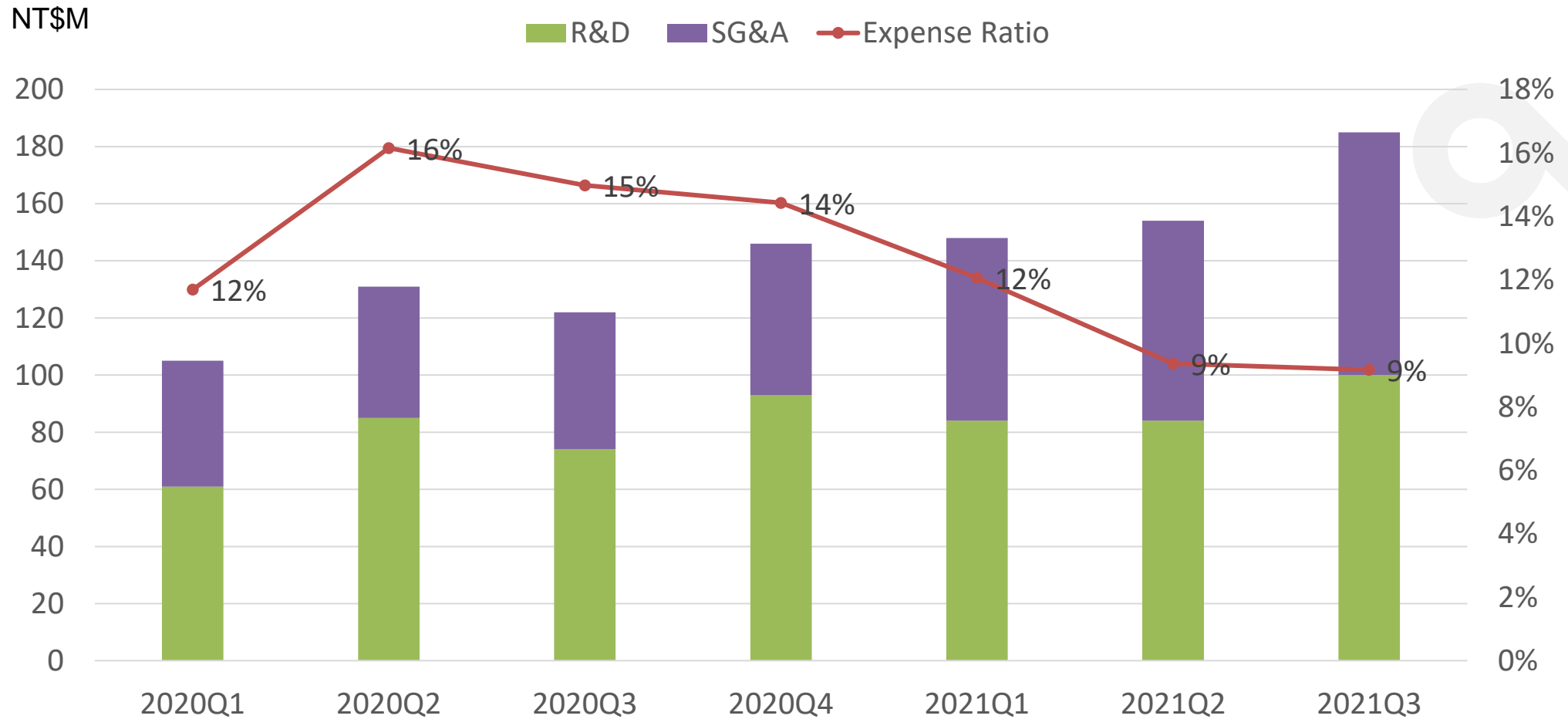
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# Business Analysis & Outlook

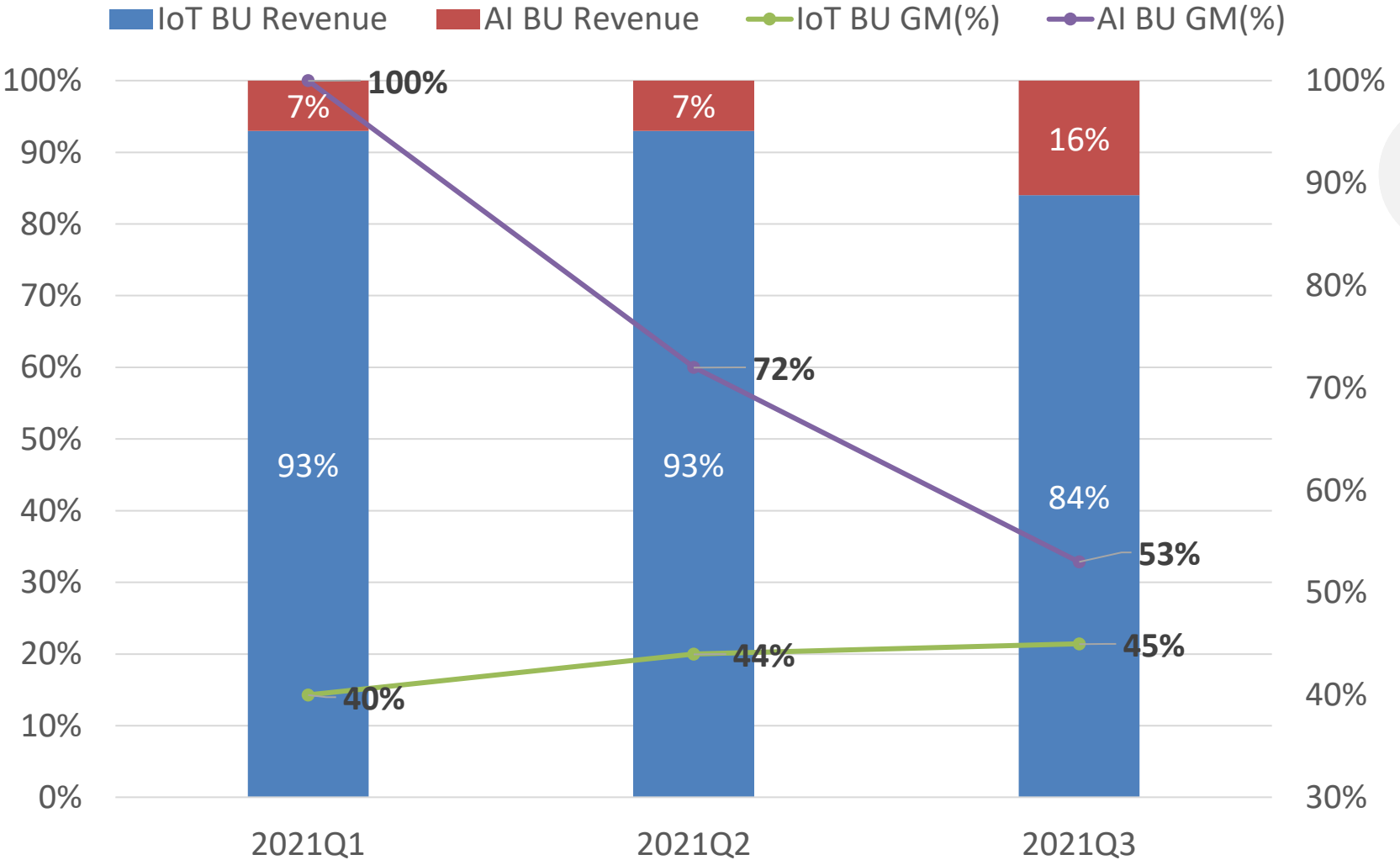
# Operating Profit Trend



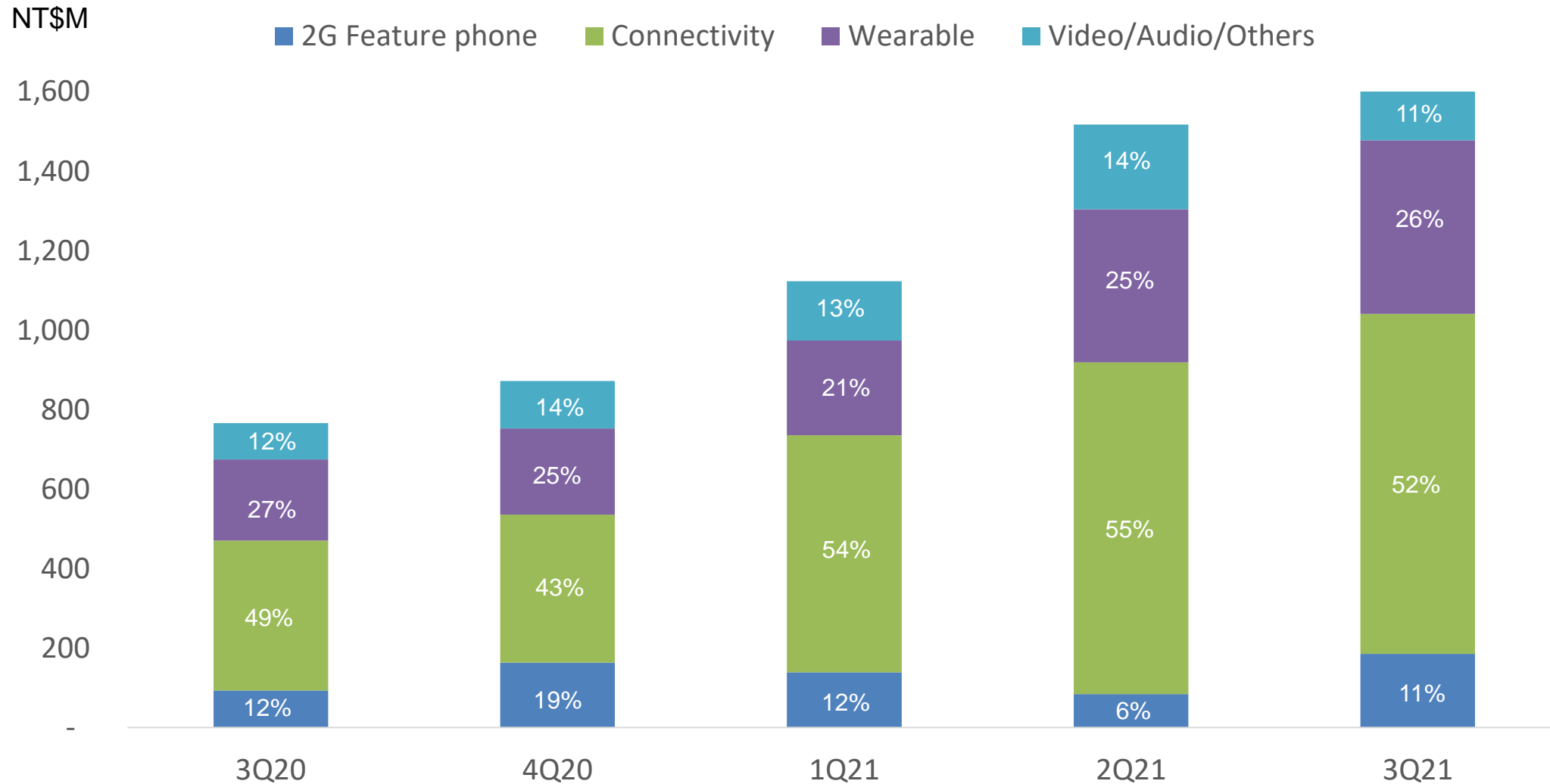
# Expense Trend



# 21Q3 Gross Margin by BU



# IoTRAM Revenue by Application

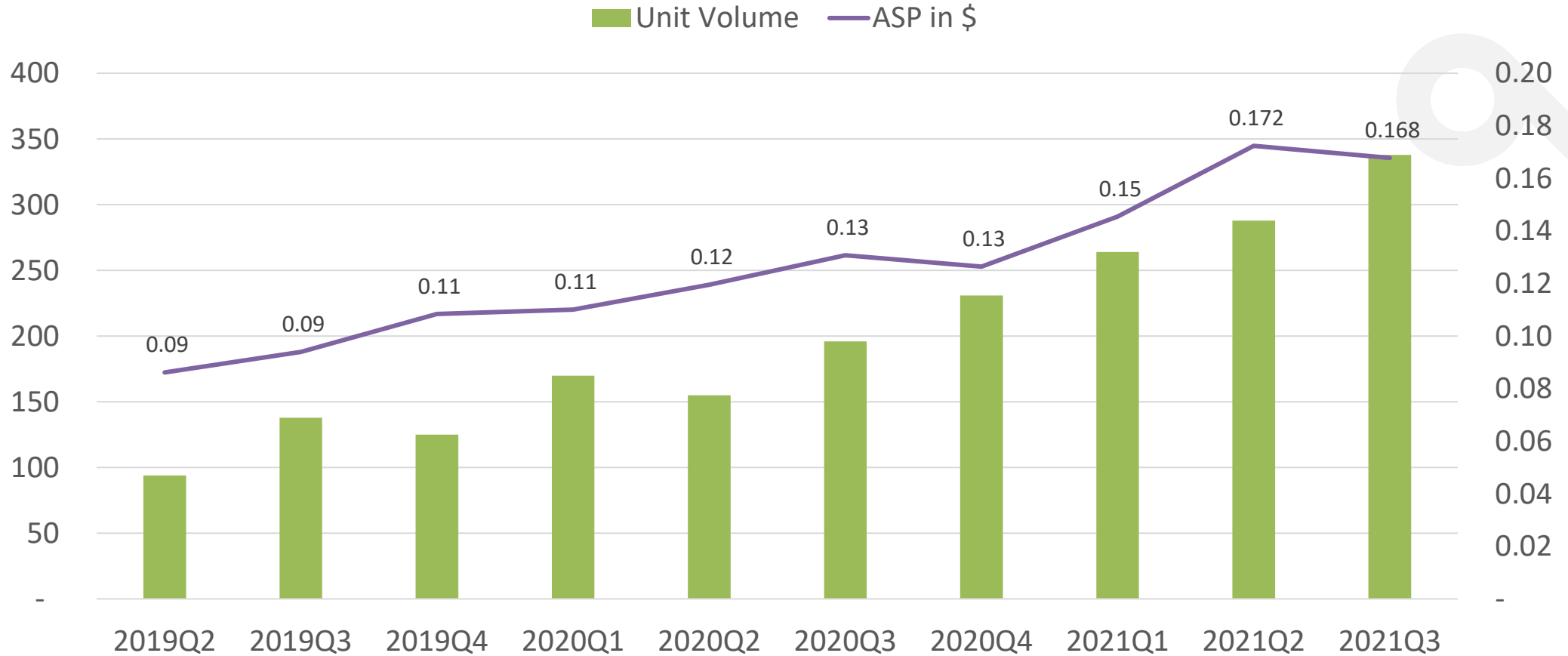


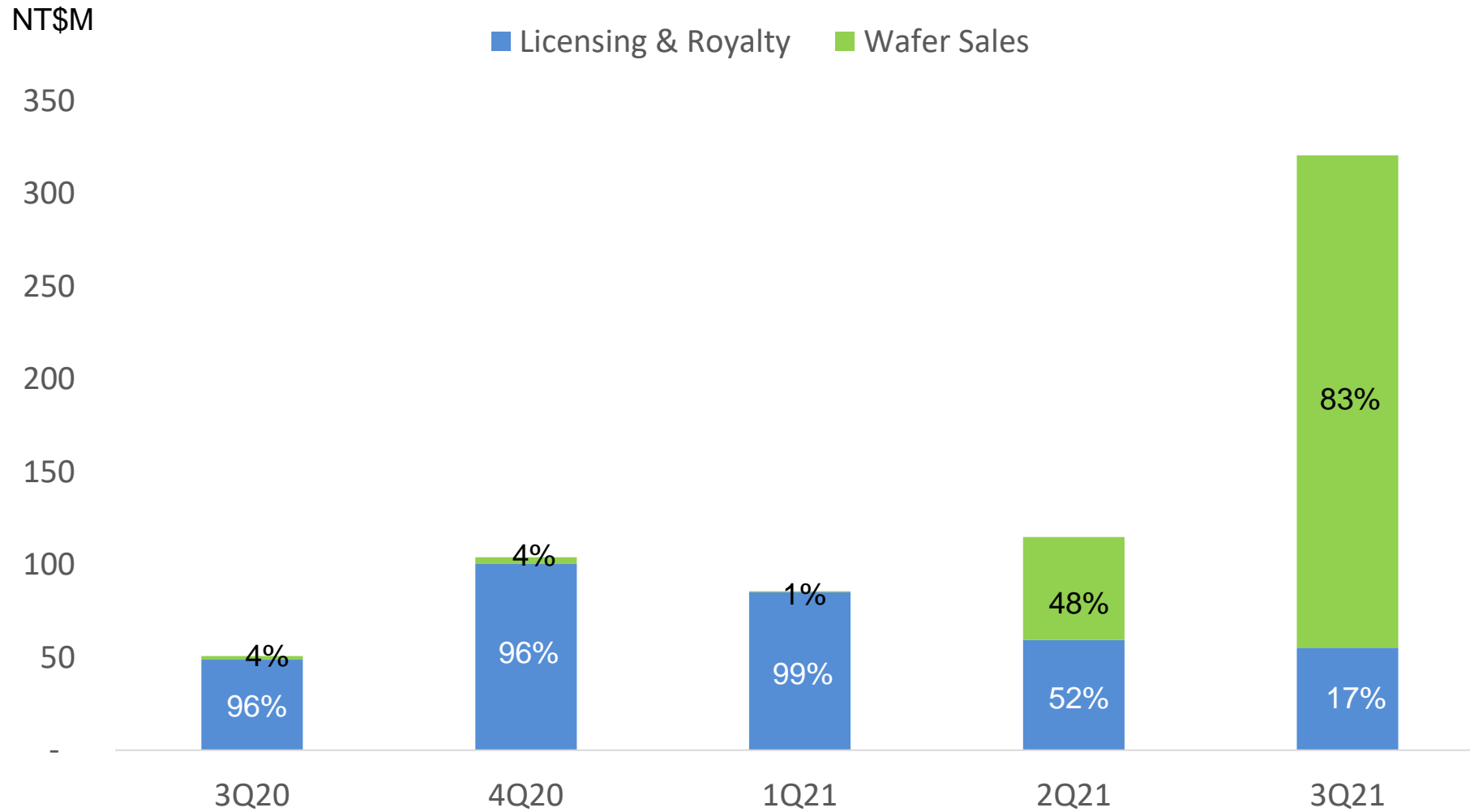


# IoTRAM Unit Volume and ASP Trend

Unit: Million EA

Unit: US\$





# Future Outlook

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- **BU Focus**

- IoT: Revenue/profit growth
- AI: 3D ecosystem development

- **Long-term Outlook**

- IoT: Growing cash cow, riding long-term IoT growth
- AI: Vast opportunities, execution is the key

- **Short-term Outlook**

- Logic shortage impacting both IoT & AI customers
- Limited visibility for 2022 revenue growth

# Q&A

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